

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
	)	
Jurisdictional Separations and Referral to	)	CC Docket No. 80-286
the	)	
Federal-State Joint Board	)	
	)	CC Docket No. 96-45
Federal-State Joint Board on Universal	)	
Service	)	
	)	WC Docket No. 05-337
	)	
High Cost Universal Support		

**COMMENTS OF MID-COMMUNICATIONS, INC. dba HickoryTech**

Mid-Communications, Inc. dba HickoryTech ("Mid-Com" or "Company") submits these comments in support of the Petition for Clarification filed by the Coalition for Equity in Switching Support ("Coalition") filed January 8, 2009.

Mid-Com has made essentially the same arguments as the Coalition in its own Request for Review of Universal Service Administrator Decision.<sup>1</sup>

Mid-Com stands solidly behind the argument made by the Coalition that the one-way application of CFR §54.301(a)(2)(ii) is not contemplated by the rule or by Commission order. As stated in Mid-Com's own Request for Review, by advancing its own interpretation of an ambiguous rule, the Universal Service Administrative Company ("USAC") has gone beyond the plain language of the FCC's rules and has entered the arena of policy-making. USAC is specifically prohibited from so doing by FCC rule §54.702(c).

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<sup>1</sup> Request for Review by Mid-Communications, Inc. dba HickoryTech of Decision of Universal Service Administrator, CC Docket Nos. 96-45 and 97-21, filed on June 16, 2008 ("Request")

While Mid-Com supports the Coalition's request that the FCC clarify CFR §54.301(a)(2)(ii), they would like to elaborate that it references the consequence of an increase in lines under § 36.125(f). § 36.125(f) is applicable solely to cost companies. Mid-Com is an average schedule company and does not directly incorporate a DEM weighting factor contemplated by § 36.125(f) into its support calculation. Rather, it relies on formulas proposed by NECA and approved by the FCC. Those formulas differ on the basis of line counts.

In April 2006, Mid-Com's line count dropped below the 10,000 threshold. In its support calculations performed later that year, Mid-Com used the support fraction, which is analogous to the DEM weighting factor, applicable to companies with less than 10,000 lines. The result would have been an increase in the amount of local switching support received. The calculation was verified with the Universal Service Administration Corporation (USAC).<sup>2</sup> Mid-Com received support on that basis until May 2008, when its support was reduced by \$207,329 as a result of USAC retroactively applying its interpretation of §54.301(a)(2)(ii).

In its Request, Mid-Com has asked for a refund of the retroactive adjustment, that no further true-ups occur and that USAC be directed to cease applying §54.301(a)(2)(ii) in the inequitable one-way manner it has chosen to do. For this reason, Mid-Com supports the Coalition for Equity in Switching Support's request that the Commission clarify that all rural carriers, cost and average schedule, are eligible for local switching support as determined by their current access line count.<sup>3</sup>

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<sup>2</sup> Regardless of the outcome of the Coalition's petition, Mid-Com believes that its appeal with respect to 2006 and 2007 support can be granted on the basis that USAC affirmatively confirmed use of the less than 10,000 line formula; it is manifestly unjust for USAC to recoup support based on a USAC-claimed mistake. *See, ex parte* Letter, Request for Review by Mid-Communications, Inc., dba HickoryTech of Decision by Universal Service Administration, WC Docket No. 05-337, January 7, 2009.

<sup>3</sup> In fact, the Universal Service Administrative Company ("USAC") in its overview brochure of the High Cost program itself states that "LSS is subject to a 'true-up' process to adjust support based on *actual incumbent carrier data* submitted for the previous calendar year." Website: <http://www.usac.org/res/documents/about/pdf/brochures/hc-incumbent-carrier-brochure.pdf>. Retrieved April 17, 2009.

RESPECTFULLY SUBMITTED,

MID-COMMUNICATIONS, INC. dba HICKORYTECH

/s/ William VanderSluis

William VanderSluis

Director of Regulatory Affairs

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# CERTIFICATE OF SERVICE

I hereby certify that a copy of the Comments of Mid-Communications, Inc. was served this 17<sup>th</sup> day of April 2009, by electronic filing and email to the persons listed below.

By:/s/ Carrie Rice  
Carrie Rice

The following parties were served:

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